

Advisory Committee on Veterans Business Affairs

Thursday, June 3, 2021 | 9:05 a.m. – 3:30 p.m. ET

Virtual Meeting Minutes

ACVBA Members: Robert Bailey, Jeff Hall, Glenett Hannah, Valerie Lewis, Lynn Lowder, Fran Perez-Wilhite, Mike Phipps, Kandis Porter, Joe Sharpe, and Matt Wiggins.

SBA Participants: Bob Carpenter, Amy Garcia, Stan Kurtz, Tom McGrath, Taylor Starkman, Larry Stubblefield, and Star Wilbraham

Guest Presenters: Steve Ekin, State Agency Surplus Property (SASP), Atlanta, Georgia; Willie Hines, Director of State Chapters, Farmer Veteran Coalition; Cordell Smith, VA OSDBU

Call to Order –Larry Stubblefield, ACVBA Designated Federal Officer (DFO), called the meeting to order at 9:05 a.m. ET.

Opening and Welcoming Remarks – Larry Stubblefield introduced himself, welcomed the committee and turned it over to the Chairwoman, Fran Perez-Wilhite.

Fran Perez-Wilhite, NC Military Business Center – Veteran Owned Small Businesses

Ms. Perez-Wilhite talked about veteran owned businesses who are struggling because of the pandemic. The ACVBA will continue to investigate any barriers to success for our veteran-owned small businesses. She wants to know why category management if only awards to large businesses, what were the businesses What were the business justifications for the annual SBA scorecard goals? What was the business rationale for only a percent goal for SDVOSB contracts? How are these numbers calculated? She said before the pandemic that these issues may have not been noticed or considered.

Larry Stubblefield, Associate Administrator, Office of Veteran Business Development

Mr. Stubblefield said that OVBD had a prominent role in the Restaurant Revitalization Fund. The fund opened on May 3, 2021 and for the first 21 days, the Restaurant Revitalization Fund was opened for women, socially and economically disadvantaged business owners, and veterans. After the portal opened, 17,000 veteran business owners that had participated in that fund. \$28.6 billion, that was part of the Rescue Plan, was set aside for restaurants and others in the food and beverage industry that had been hit hard by COVID-19. Administrator Guzman’s overall key focus is support for veterans. Mr. Stubblefield said the Administrator has given us three goals across the SBA. The goals are: (1). Equity and Inclusion – Closing Opportunity Gaps and Access to Capital Gaps, (2). Customer Centric -Meeting entrepreneurs where they are; 3). Technology – to better expand our reach. Mr. Stubblefield also mentioned that OVBD is in the process of going from virtual to in person training.

Star Wilbraham, Project Officer, Office of Veteran Business Development

Executive Order 13985

Ms. Wilbraham spoke about the goal of the executive order is to assess the federal programs and policies, not just SBA and OVBD, but across the entire Federal Government and to find opportunities and benefits for people of color and other underserved groups that may not have

been served before. She said that it's also to equip agencies to develop policies and programs, delivery resources and benefits equitably to all. The Executive Order is laid out in a timeline in which the SBA is following and OVBD has been conducting an equity assessment. The assessment is to see where OVBD is as program and how we are serving veteran service members and military spouses. We are looking at veteran service members and military spouses and looking at how that community is represented in terms of folks of color, of religious minorities, of the LGBTQ+ community, those service members and military spouses and veterans with disabilities, those living in rural areas, as well as women veteran service members and military spouses.

Amy Garcia, Veterans Business Analyst, Policy and Engagement, Office of Veterans Business Development Veteran-Owned Small Business

Ms. Garcia talked about the "Access to Donated Surplus Property". She said that the program allows veterans or veteran-owned small businesses (VOSB) to work with their state agency surplus properties (SASP) to obtain property for business use. She said that this is a GSA program and SBA is responsible for outreach and informing veterans what they need to get the property. Go to www.sba.gov/vetsurplus for more information. The website has program background information, the eligibility requirements, and resources. Ms. Garcia also mentioned marketing and outreach kits that was sent to OVBD distribution list. The Marketing & Outreach kits includes visual & media campaign materials & a fact sheet.

Cordell Smith, VA OSDDBU

Federal Procurement Data System -Mr. Smith said the status report numbers from the Federal Procurement Data System as of April 30th, the VA OSDDBU was doing well on a whole range of goals, 29.1 percent on the overall small business goal; 21 and 22 percent on the veteran goals; doing well on the small-disadvantaged business goal.

Contractors - Mr. Smith spoke about contractors. He said, they did things with their VA partners with Human Capital Services Center and continue their efforts with the VA Medical Centers and the VA continues to work with other stakeholders -- the Native Hawaiian Organization Association, Coalition for Government Procurement, Alaska Native Corporation, and our number one priority is the service-disabled and veteran small businesses.

Restaurant Revitalization Fund - Mr. Smith said that the VA OSDDBU is partners with SBA in promoting Restaurant Revitalization Fund effort. He talked about the Executive Order 13985 and the VA OSDDBU is looking to improve their performance on the women-owned small business goals. The program is organized around underrepresented or underserved communities in the terminology of the executive order.

CVE Transfer -Mr. Smith talked about the CVE Transfer and the legislation that was passed on January 21st, 2021, the National Defense Authorization Act, that directs the verification be transferred from VA to the Small Business Administration and it must be completed by January 1, 2023. All the functions that CVE currently does will become functions that SBA will do as part of its process.

Beneficiary Identification and Record Locator System (BIRLS) - Mr. Smith reported on the BIRLS. He said that there will be some sort of data system where service-disabled veteran and veteran information will be retained at VA and that SBA is going to need access to this information. SBA does not need to know that a veteran or a service-disabled veteran has a 10 percent rating based on a war or something, but SBA will need to know what someone has found

them to be a service-disabled veteran. Mr. Smith said that the government-wide certification is something that they are looking at with the existing arrangement within the VA certification effort.

Verification of SDVOSB and VOSB Contractors – Mr. Smith said that’s a requirement for those firms to participate when VA does a set-aside for those contractors and for those SDVOSB or a VOSB set-aside. He said the verification, because it enables firms to participate in the VA contracting process, was directly related to operation and maintenance of the supply system for the Department. The government-wide certification is not directly related to the operation and maintenance of the VA supply system. It has an element of it because some firms may want to compete for VA opportunities, but at the same time, the scope of it is significantly larger and it provides opportunities government-wide. The VA will have to look at options for how we’re going to pay for that level of certification. The language of the supply fund does not really allow for that kind of -- that source of funding to be used for government-wide certification.

Bob Carpenter, Senior Regulatory Specialist, Financial Analyst, Office of Financial Assistance

7 (a) Loan Program – Mr. Carpenter said currently as of 4/30, the 7(a) Lending activity has gone up. He said that the 504 Lending activity has had a steady climb since 2018 when they instituted the change to the program, providing the 25-year maturities and extending that from the initial 10 and 20-year maturities.

Microloan Program – Mr. Carpenter said that the reporting requirements for the micro lenders are delayed. The numbers as of April 30 for years up to 2020, it’s only through mid-February for 2021, because the reports have not been generated. He said those reports are submitted generally on a quarterly basis and they are always a little behind on the micro lending activities.

Surety Bond Program – Mr. Carpenter said the performance activity for guaranteed bonds has dipped slightly. The numbers are about the same; the dollars are slightly less.

PPP Loan – Mr. Carpenter reported the demographic statistic received for PPP Loans. He said that the veteran loans to PPP, was 123,000, almost 124,000 loans for a little over \$6 billion was designated, where they notified us that they were a veteran. He said the ones that checked that they were not a veteran, was 2.2 million loans for about 90 -- a little more than 93 billion, almost 94 billion. The unknown, who didn’t check anything, is a big issue. Mr. Carpenter said that they cannot force anyone to provide demographic data on our reaching the correct market. He said that there are overtures in Congress to have new programs instituted that will be required to submit this information.

Larry Stubblefield, Associate Administrator, Office of Veteran Business Development Community Navigator Program

Mr. Stubblefield talked about supporting underserved communities. He said the Community Navigator Program was established in the legislation known as the American Rescue Plan and the program is a \$100 million grant program and the eligible recipients of the grants include non-profit, state, local, and tribal governments, community development financial institutions, and SBA resource partners, also to include veteran business outreach centers, women business centers, and SCORE chapters. He’s looking to have the program up and running on the 1st of September. The purpose of the Community Navigator Program is to help connect on the ground in small business communities around the country, help connect those small businesses and entrepreneurs with SBA pandemic relief programs and recovery services. This is a priority

program now with SBA because we are definitely looking to get our resources down in the communities and to those underserved areas.

Stan Kurtz, Director, Policy and Engagement, Office of Veterans Business Development Military Spouses Entrepreneurship Summit

Mr. Kurtz gave an update on OVBD and Military Spouses and he said that August 2020, OVBD did a military spouses entrepreneurship summit and had over 1800 military spouses to sign up, which 900 participating in the event. He said that OVBD knew that was a huge market. He said that we worked very closely with Hiring our Heroes for that event. He said, in the beginning of the year in January, we started doing monthly webinars with the military spouses on entrepreneurship and each month, there's a new topic and there are more spouses signing up for those webinars. He said that on May 20th, OVBD did an overseas military spouse summit and OVBD brought in the Army and Air Force Exchange Service (AAFES) to talk about how to get military spouses get their business started through AAFES, put their product on AAFES websites or in AAFES installations. He also says that talks were about status force agreement that affects military spouses overseas. Mr. Kurtz said the sessions were recorded and OVBD is waiting on Hiring Our Heroes to publicize the YouTube video and when they do, we will get it out to our stakeholders and partners.

SBA Administrator Isabella Guzman - Support Veteran Small Businesses

The Administrator talked about supporting veteran small businesses and to give every veteran entrepreneur the tools and support that they need to live their American dream. She said that veteran-owned small businesses are the driving force in our economy, generating nearly a trillion dollars in annual revenue, and creating nearly 4 million jobs. She said it's our mission at the SBA to make sure all small business owners have the tools and the resources that they need to rebuild so that our economy can build back better. She said our veteran-owned small businesses have been underserved, that they faced barriers that limit their opportunity and growth, based on different studies and research. Administrator Guzman said the SBA is really focused on trying to change that so that entrepreneurs can reach their full potential.

Equity – Administrator Guzman said that equity is key priority, and she directed my staff to look at every program, service, and resource that the SBA provide and to look at how does the SBA design and implement programs and ask is this opportunity accessible to everyone. She said to ensure that we are reaching every entrepreneur that needs our help, we must meet small businesses where they are, putting the customer first and understanding their needs.

Restaurant Revitalization Fund –Administrator Guzman said that the program is a success. She said that more than half of the 362,000 applications that we received for the RRF program were from small businesses owned by women and veterans and socially and economically disadvantaged individuals who, as Congress directed, were given priority access in our first 21 days of the program. She reported that the SBA received over \$76 billion in request on that program of \$28.6 billion. In addition, more than one-third of our applications came from our nation's smallest food and beverage businesses.

Shuttered Venue Operators Grant Program, Economic Injury Disaster Loan Program and Targeted Supplemental EIDL Advance Program - The Administrator said the SBA continues to process applications for our shuttered venue operators grant program and the economic injury disaster loan program and the targeted and supplemental EIDL advance to our low-income, highly impacted businesses and throughout all these relief programs, we will

continue to prioritize our outreach to veterans and other small business owners and underserved communities to ensure that they get the resources and the services that we know that they need to build back better.

Willie Hines, Director of State Chapters, Farmer Veteran Coalition

Mr. Hines stated that they have over 30,000 members. Their membership is by gender, race and ethnicity, and branch of service. He said that the race and ethnicity is self-reported. Fifty-nine percent of our veterans are classified as disabled veterans by the VA, and of our veterans, 76 percent are post-9/11. He said that they have many veterans who are not post-9/11, and the USDA wants his organization to work with those veterans that are post-9/11. Mr. Hines said that they have many partners, including SBA, that they work with, and we co-work programs or we put people from our organization into the programs that groups like SBA run and recommend them. Mr. Hines said one of the programs we have, it's called the Homegrown by Heroes Label that started at the Ken Kentucky Department of Agriculture and another program the Farmer Veteran Fellowship Fund and it awards from \$1,000 to \$5,000 each per farm or farmer and basically, we purchase equipment or services on behalf of the veteran.

The State Chapter System -Mr. Hines said that the State Chapter System is something they've had for a long time. He said four years ago, they had 3,000 veteran members and now they have over 28,000 veteran members with about ten staff.

COVID – Mr. Hines said they a lot of members, and a lot of members who are essentially beginning farmers. They've run into a lot of issues because of COVID. He said that the supply chain disruptions that have happened, that it's hard for them to get the product out sometime. He said that COVID has driven some prices up, especially on certain types of specialty crops, but it's also driven some down.

PPP Loans – Mr. Hines said that they have a problem with issues with labor and that the PPP loans have been helpful to their members because of the way that they're structured, they're doing contract or temp employment, and it doesn't work for their model and so it makes it difficult for them to bring on labor when they need it at those times of year.

Market Maker- Mr. Hines said that there's issues with pricing models. He said the markets are not stable enough for them to know even how to price and to project out costs and everything else.

Barn2Door – Mr. Hines said there are for-profit versions similar to that. One that we work with pretty frequently is called Barn2Door, and it's basically -- it's like Amazon for produce or meat. Mr. Hines said through FSA and through a risk management agency at the USDA, has been helpful.

Farm to School Program and Farm to Box Program – Mr. Hines stated there's a lot of small grants that have gone out and there's programs that exist out there that have really grown under the USDA during this time, like the Farm to School program and the Farm to Box program. the Farm to School program has been around for several years, but it just took off. He said organizations like SBA and others that the work with regularly have really gone out of their way to help the people at the bottom end survive. He said Farm Credit, FSA, NEFA, who they work with regularly is where they get most of their grant money from.

SBA VBOC Centers – Mr. Hines acknowledged that one of the best things that SBA does is the VBOC centers. He says the reason why it's good for them is, people will come in, they'll learn farming at a training farm. He said two other things that help them more than anything else is knowing how to write a business plan and knowing how to come up with a reasonable budget.

He said we run into this all the time and we've gotten a lot of help. We're always sending people over to your seminars.

Subcommittee Updates

Public Relations – Kandis Porter and Jeff Hall - We have established both a LinkedIn account and a Twitter account and I will make sure that we get those put into the actual chat to get the word out. Ms. Porter said we're looking to share through these avenues, information about these meetings, making sure that people know about them, that they can attend, that they can get great information from them. She said that they have shared information from the VA's Direct Access program, focusing on VAMC. We have shared information on the Shuttered Venue Operators Grant, and the Restaurant Revitalization Fund. Ms. Porter said that they wanted to make sure that we've got programs that are being shared with the veteran business owners. That's really going to be the main goal of having this social media and PR presence.

Stan Kurtz - Responded to Ms. Porter and said that we started over the last few meetings, we started putting information out through social media press releases. We also send it out through our SBA Daily, and we also send it out to our partners and stakeholders Taylor is our marketing and outreach person, along with Alana.

Taylor Starkman – Encouraged Ms. Porter to follow the Boots to Business channels on Facebook and Twitter. That is the account that our office runs. We are promoting a lot of SBA's existing content, but also content that is primarily for the veteran audience.

Federal Government Contracting – Valerie Lewis, Rob Bailey, Fred Irizarry, and Mike Zacchea - Ms. Lewis said they have established a working group with VETS Force and members of the American Legion Small Business Task Force because of some of the same overlapping issues. Ms. Lewis said they came up with specific questions that we sent to the Chair that we want to address going forward.

Rob Bailey – Mr. Bailey spoke regarding the Charter and at the way that the federal government is working with veterans and veteran programs through small business offices. Mr. Bailey said that he reached out to small business offices and their concern was that the Administration has deployed the underserved community guidance out. He said, a lot of them are trying to figure out how all this work and understand their strategy for helping veterans and open more opportunities to veteran-owned businesses. Mr. Bailey said that the small businesses asked for more guidance from SBA. He feels that there's a little bit of confusion about underserved 8(a) CVE-certified veteran-owned businesses, woman-owned. He said he thinks some folks believe that the underserved will be its own set-aside. Mr. Bailey said that the guidance that comes out from the White House, OPM and SBA, as that initiative starts to mature, it will be clearer to the small business offices and how to deploy.

Larry Stubblefield – Thanked our subcommittees for the updates.

Adjourned -1:44 p.m. ET. - The meeting was adjourned.